



U.S. Department of Justice
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NEWS RELEASE

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ACCOUNTANT RECEIVES 5-YEAR SENTENCE IN PITTSBURG, KAN.

WICHITA, KAN. – United States Attorney Eric Melgren announced that **Michael F. Loy**, 53, Pittsburg, Kan., was sentenced Oct. 25, 2004 by U.S. District Judge Wesley E. Brown. He received a sentence of 60 months in prison on each of three counts including one count of mail fraud and two counts of wire fraud. He also received a sentence of 63 months in prison on a charge of interstate transportation of stolen property. The sentences are to run concurrently. Loy also was ordered to pay \$239,752.32 in restitution.

Loy pleaded guilty July 6 to one count of mail fraud, two counts of wire fraud and one count of interstate transportation of stolen property. He admitted at his change of plea hearing that while he was the personal accountant and custodian of the Norvelle Deruy Trust, he opened a margin account in January 1999 with a securities company and pledged stock from the Norvelle Deruy Trust valued in excess of \$2,600,000 to the securities company. Loy admitted that he pledged this stock without consent or permission of its owner. Loy further admitted that on January 19, 1999, he requested and received a \$300,000 payout by check from the margin account which he deposited into his account at Southwest Missouri Bank, Jasper, Mo., for his personal use. On January 25, 1999, Loy requested and received an additional \$300,000 from the margin account, which he also deposited into his account at Southwest Missouri Bank, Jasper, Mo., for his personal use. Loy also admitted that on March 24, 2000, he received \$25,000 from one of his clients to invest in a company developing computer software, however, Loy did not invest the money with the computer software company, rather he deposited the money into an account owned by Bexar Communication account, a Missouri corporation which was owned by Loy. Loy then used the money to pay business expenses of Bexar Communication as well as his personal expenses.

Melgren commended the work of the Federal Bureau of Investigation in the case and Assistant U.S. Attorney Alan Metzger in the prosecution case.